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Changing with the World

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I. Our strategic setting

1. The world is going through an unprecedented transition. The global balance of power is shifting, extreme poverty has dropped to historic lows, more people than ever before now live in cities, and new technologies are revolutionizing social behaviours and entire industries. Risks are rising as well. Inequalities are widening within countries, violent tensions are making some societies vulnerable to crisis and even collapse, and competition is intensifying around scarce natural resources. Many societies are also struggling to bring women and youth into the circle of prosperity. The gaps are glaring despite progress on the Millennium Development Goals. Women and girls still make up a high proportion of people living in income poverty and deprived of education, health, voice and other non-income dimensions of well-being. Progress in closing gender gaps in education has not led to the removal of inequalities in labour markets. Norms that exclude women from the public sphere remain strong in many places and gender-based violence is a significant issue. Against this broad backdrop, the impact of climate change looms larger, threatening to breach planetary boundaries, with potentially catastrophic consequences, most of all for the poor. The future will, therefore, be turbulent, marked by great uncertainty and volatility, rich with both potential and big risks.

2. But there are grounds for optimism. It is now possible to eradicate extreme poverty, halt and reverse growing inequalities and achieve universal access to basic services. With more countries moving towards democratic political systems and responding to growing public demand, the room for voice and participation can expand now to an extent unthinkable before. At the same time, new knowledge and experiences are making it possible to pursue economic growth, environmental sustainability and social equity simultaneously. Making the most of this momentum, while putting in place measures to mitigate risk and prevent loss of gains made, will be a major task of development in coming decades. Success will depend on finding ways of fighting poverty and inequality, deepening inclusion and reducing conflict, without inflicting irreversible damage on environmental systems, including the climate.

3. This challenges us to rethink development. Sustainable development offers a way forward. As described in the Outcome Document of the United Nations Conference on Sustainable Development ("Rio+20"), "poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production and protecting and managing the natural resource base of economic and social development are the overarching objectives and essential requirements for sustainable development" (General Assembly (GA) resolution 66/288, annex, para. 4). Sustainable human development reinforces this approach by emphasizing that the capabilities and well-being of people, and their relationship with the environment that sustains them, are what matter. Sustainable human development, therefore, focuses on "the expansion of people's freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet".[1]

4. Another part of the answer lies in a United Nations development system (UNDS) equipped to help developing countries address new realities. There are valuable system-wide assets to build on, such as universality, legitimacy, a strong normative foundation, and unparalleled worldwide presence. UNDP itself has particular strengths. They include an up-to-date intellectual outlook, a proven ability to influence policy and build capacity, and a long-standing role as a trusted partner working across sectors and with multiple stakeholders, often on sensitive issues. A large country network and a core coordination function within the UNDS reinforce UNDP's strengths. They have weakened, however,

[1] Edited extract from the Human Development Report (HDR), 2010.

over the years owing to some key gaps in skills, diminished speed of action, rising costs and declining core funding. If we are to remain valued and effective in a dynamic world, then UNDP must rebuild its strengths and funding. More change in the organization will be needed to achieve stronger results for developing countries through UNDP-specific action and through partnerships with others, from the global through to the local level. We must aim for a sharper focus that makes sense to programme countries and donors alike. The outcome of continuing change must be higher-quality advice, more effective and efficient operations, and better access to world-class talent seeking to work in a knowledge-driven, innovative and open institution. To make these changes successfully, UNDP must start from its legislative foundations.

5. The quadrennial comprehensive policy review (QCPR; GA resolution 67/226) offers a clear direction regarding what needs to be done (annex I). It identifies five key development issues: poverty eradication as the greatest global challenge, sustainable development, gender equality and women's empowerment, transitions, and resilience, the latter two being particularly relevant in disaster and post-conflict settings. The QCPR also draws attention to capacity development as a core function of the UNDS, the need to mainstream South-South and triangular cooperation, make continuous improvements in Delivering as One and promote better cooperation on regional issues. The resolution also emphasizes that the "resident coordinator system, while managed by the United Nations Development Programme, is owned by the United Nations development system as a whole and that its functioning should be collegial and mutually accountable within that system", (ibid, para. 122). On financing, the QCPR stressed the importance of core resources while noting the significance of non-core resources. Furthermore, it requested a definition of "critical mass of resources" by the end of 2013 and implementation of full cost recovery in 2014.

6. In addition to the QCPR, important references include the Outcome Document of "Rio+20", where Heads of State and Government clarified the objectives and requirements for sustainable development. They affirmed as well a set of guiding principles for green economy policies (GA resolution, 66/288, para. 58) and encouraged "each country to consider the implementation of green economy policies in the context of sustainable development and poverty eradication that endeavours to drive sustained, inclusive and equitable economic growth and job creation, particularly for women, youth and the poor" (ibid., para. 62). Additional policy guidance is available from a number of other recent United Nations international conferences, including the Istanbul Programme of Action for the Least Developed Countries: 2011-2020, which emphasizes the importance of building productive capacities and addresses links between crises and climate change, structural transformation of economies and full and productive employment.

II. Our overarching vision, outcomes and approach

7. With the changing world as the backdrop, and building on our core strengths, our vision is focused on the next big breakthrough in development:

8. To help countries achieve the simultaneous eradication of extreme poverty and significant reduction of inequalities and exclusion using a sustainable human development approach.

9. Our vision will mean offering countries analysis and ideas for new or strengthened policies, opportunities to develop the capacity for follow-through, and practical innovations on the ground that benefit the poor and excluded, feed back into policies and provide the basis for scaling-up. Complementary actions at the regional level will be necessary as well so that cross-boundary issues that impact on poverty eradication, inequality and exclusion – such as shared natural resources and risks of conflict – can be tackled effectively and equitably. Advocating for and advancing a conducive global environment for development will be a final requisite, so that countries can match or even

exceed the rate of progress in growth, distribution and human development that now make the eradication of extreme poverty imaginable for the first time in history.

10. This ambitious vision will require an institution that meets benchmarks for organizational effectiveness that match or exceed the highest standards set in its peer community. It will also demand that we focus our work around a set of outcomes. These outcomes will support the priorities and needs of each country and region, and capture the development changes UNDP will contribute towards directly, significantly and verifiably during the course of the next Strategic Plan.[2] In so doing, we will align our approach to results with other United Nations agencies, as set out in annex III.

11. Our proposed outcomes are:

(a) Sustainable human development is embedded substantively in development debate and action at all levels.

(b) Growth is inclusive and sustainable, incorporating productive capacities that create livelihoods for the poor and excluded.

(c) Citizen expectations for voice, effective development, the rule of law and accountability are met by stronger systems of democratic governance.

(d) Countries have strengthened institutions to progressively deliver universal access to basic services.

(e) Faster progress is achieved in reducing gender inequality and promoting women's empowerment.

(f) Countries are able to reduce and manage risks of conflict and natural disasters, including from climate change.

(g) Early recovery and rapid return to sustainable human development pathways are achieved in post-conflict and post-disaster settings.

12. Consistent with our outcomes, UNDP's development activities will place particular emphasis on specific population groups, determined country-by-country. These are:

(a) Those living in extreme poverty using the international United States dollars 1.25-2 purchasing power parity (PPP) per day poverty line and the multidimensional poverty index (MPI), adjusted to reflect national data, standards and definitions; and

(b) Those groups that are experiencing the greatest inequalities and exclusion in terms of access to opportunities and achievement of outcomes, as captured in human development indices, especially women, female-headed households and youth.

13. The geographic spread of our work will also take into account how the population is distributed across urban, peri-urban and rural areas.

14. Outcomes will be pursued in ways that reflect our institutional character, by:

(a) Utilizing **sustainable human development** as our frame of reference, integrating each of the social, economic and environmental strands;

(b) Being guided by **national ownership and capacity** with countries making decisions on how best to meet their people's aspirations and with UNDP helping to develop the policies, leadership skills, partnering abilities and institutional capacities that can sustain results over time;

[2] The specific quantitative and qualitative dimensions of this contribution are defined through outcome indicators and outputs in the results and resources framework (see annex III).

(c) Recognizing the intrinsic **value of the norms established by the United Nations**, especially in the body of economic, political, social and civil rights that are pursued through the human rights-based approach, and other commitments made through multilateral agreements;

(d) Reflecting the pivotal significance of **gender equality and women's empowerment**, understanding that sustainable human development will not be fully achieved unless women and girls are able to contribute on an equal basis with men and boys to their societies;

(e) Ensuring **participation and voice** in pursuit of equitable access to development opportunities and gains across the population, working with the poor and other excluded groups as agents of their own development;

(f) Assisting countries to play an **active role as global citizens**, by connecting them better to global processes and enabling them to internalize global agendas and agreements in their own plans, policies and actions;

(g) Adhering to **universality**, offering all developing countries access to the services of UNDP and, through the effective exercise of UNDP's coordination function, to those of the UNDS.

15. To move from intent to action, we will:

(a) Redesign our main areas of development work;
(b) Transform our institutional effectiveness to deliver on our vision;
(c) Revitalize our approach to partnerships and strengthen coordination.

III. Redesigning our main areas of development work

16. UNDP's institutional character and core strengths shape the choices we have made about our work in the future. UNDP is neither a development bank nor a charity, nor is it a specialized agency or a non-governmental organization. We are an institution that believes in growth that creates wealth and opportunities for the many not the few, development that benefits those living today as well as future generations and societies that provide citizens with the means and space to contribute meaningfully to development. As one of the few multilateral agencies working holistically across sectors, and operating at the heart of the UNDS as manager of the Resident Coordinator System and Chair of the United Nations Development Group, we are:

(a) Recognized as being neutral, therefore, able to act as an impartial facilitator of dialogue and cooperation between stakeholders on important development issues;

(b) Trusted owing to long-standing relationships at the country level, maintained through good times and bad;

(c) Able to draw on knowledge and expertise gained in all development settings, thus, able to grasp and respond flexibly to common concerns and important differences between countries and regions;

(d) Geared to address development issues as they actually exist - complex, multi-dimensional and often unique to each society;

(e) Acknowledged as a partner who can advise on the "big" issues of economic and social transformation, environmental sustainability and democratic governance, as well as help develop the plans and capacities to deliver on them;

(f) Seen widely as having a strong operational capability, deployable in widely varying conditions;

(g) Positioned to tap the full capabilities of the UNDS to support countries in their development efforts.

17. While keeping these strengths in mind, we have to recognize that the outcomes we propose to contribute towards are not independent of each other, nor can they be achieved

by any single actor or set of policy tools. We cannot provide timely and quality expertise on everything – nor would this be appropriate. We must choose. Bearing that in mind, UNDP proposes to concentrate on three substantive areas of work, each of which, when applied together, will contribute to a number of the proposed outcomes. We will also actively pursue partnership opportunities in each of these areas with those who have complementary expertise and resources to our own, whether they are sister agencies and entities in the UNDS and United Nations Secretariat or others (as described in section V and annex III).

18. Our areas of work will be:

(a) How to adopt sustainable development pathways that can eradicate extreme poverty and simultaneously reduce social and economic inequality and exclusion;
(b) How to build and/or strengthen inclusive and effective democratic governance systems that can deliver sustainable solutions to poverty, inequality and exclusion;
(c) How to build resilience so that countries can sustain their development gains in the face of disaster or conflict and rebound more quickly and strongly.

19. The proposed vision, outcomes and areas of work together are relevant for all developing countries and regions – least developed, low income and middle income - in different combinations, in different situations, and with varying degrees of emphasis.

Area of Work 1: Sustainable development pathways that can eradicate extreme poverty and reduce social and economic inequality and exclusion

20. We will assist countries to deepen their understanding of key policy issues and plan for development transformation. We will also help test and scale-up new approaches to improving productive capacities in well-defined areas and find better ways of protecting populations from the effects of economic and social shocks.

Forward-looking analysis, advocacy and advice

(a) **Thought leadership and advisory work to advance sustainable human development and the post-2015 agenda.** Better measurement and monitoring of development conditions will be critical to understanding the issues, taking into account differences by gender, income, location and other non-income characteristics. Improved data, disaggregated appropriately, will enable policy analysis, including application of gender analysis and assessment of climate change impacts, focused on the convergence between poverty, social equity, environmental and governance issues. Data and policy analysis, together, will help countries to appropriately internalize globally agreed goals and frameworks. They will also assist in finding solutions that are technically, institutionally and politically viable in a wide range of country and regional settings. With more than two years left until the deadline of 2015, effort will continue on the roll-out and implementation of the MDGs Acceleration Framework (MAF).

Development of sustainable and inclusive productive capacities

(a) **Development planning and policy reforms to build productive capacities that can generate sustainable livelihoods.** This will mean strengthening skills and institutional capacity to design, monitor, coordinate and implement plans and associated policy reforms, including for "green" economy policies, where requested; look at options for increased domestic resource mobilization; and create partnerships that can advance sustainable solutions for growth and livelihoods creation, utilizing South-South and triangular cooperation as well as partnerships/alliances with public, private and other non-state entities.

(b) **Sustainable planning at local levels based on improved standards,**

capacities and skills, taking account of differentiated needs within and across rural, peri-urban and urban areas. Efforts here will help with ways to engage citizens, especially women and youth, on sustainability issues, develop and/or harmonize regulations and laws on environmental management, work on balanced development and management of natural resources and environmental services, and grow markets for sustainable products and services benefiting the poor. Innovation will support this through partnerships and catalytic funding that foster private sector and civil society engagement. Monitoring of performance across multiple local government areas will help to measure progress.

(c) **Translation of plans into action to show how it is possible to achieve economic, social and environmental gains at the same time.** Options will include conservation of natural resources and biodiversity and creation of livelihoods based on management and rehabilitation of ecosystem services, including in indigenous and community conserved areas. Other possibilities will be integrated water resources management, including in ocean and coastal areas, sustainable land management, and testing and scaling-up of public-private initiatives that can increase livelihoods opportunities from productive capacities based on technologies that are sustainable and markets that are inclusive. Continued implementation of the Montreal Protocol will remain important in this connection.

Sustainable energy access and improved energy efficiency

(a) **Policy and regulatory frameworks and institutional capacities to boost energy efficiency and grow low-carbon and renewable energy services at the national level.** The focus will be on lowering investment risks, broadening and deepening markets, and strengthening private and public sector capacities to expand investment. This could create better conditions to find and scale-up inclusive market-based solutions to achieving universal modern energy access, especially off-grid sources of renewable energy. Action on energy efficiency could also become more possible, at the household level and in specific sectors of the economy, through improved standards and financial incentives.

Effective response to climate change

(a) **Planning, policy frameworks and institutional capacities to substantially reinforce action on climate change.** Actions will help with integrating low-emission, climate resilient objectives into development plans and identifying priority mitigation and/or adaptation measures; reforms that reduce financial risks and offer improved incentives for adaptation and mitigation responses that can work over the medium to long term; and development of capacities to access, deliver, monitor, report on and verify the use of climate finances.

Social protection targeting chronic and transitory causes of vulnerability

(a) **Assessment of key economic, social and environmental risks to the poor and excluded and possible responses,** looking principally at options across a number of issues: phased progress towards universal access to social protection, more transparent and lower cost delivery systems, improved targeting of non-universal benefits schemes, and better feedback from citizens on coverage, quality and cost of services.

Area of Work 2: Inclusive and effective democratic governance systems that can deliver sustainable solutions to poverty, inequality and exclusion

21. We will assist countries to maintain or secure peaceful and democratic governance,

either when faced with large-scale changes or confronting specific challenges such as reforming constitutions, organizing credible elections or strengthening parliaments. We will also help governance institutions adapt to changing public expectations and deliver clear benefits to citizens, whether in terms of better services, improved access to resources needed for livelihoods or greater security of persons and property.

Assistance for managing major governance processes

(a) **Context-specific responses to foster agreement among stakeholders and support peaceful governance processes that advance shared national goals.** A key element will be assistance for constitutional reform and democratic electoral processes (incorporating the electoral cycle approach) to systematically target key factors contributing to economic, social and political exclusion and disempowerment, with particular attention to opportunities for the active engagement of women as voters, candidates and leaders. This will be enabled by efforts to foster impartial "spaces" for dialogue, agreement, coordination and action across organized groups and interests – such as political parties, trade unions, women's and youth groups, among others – on major economic, social and governance reforms, reconciliation, and peacebuilding. Promotion of economic, political, civil and social rights, as articulated in relevant resolutions of the United Nations General Assembly, will reinforce these efforts by preventing discrimination and violence against women, girls and minorities (including people living with HIV and AIDS (PLWHA)) and encouraging their full participation in governance processes.

Governance strengthening and innovation

(a) **Policies and capacities to foster more accountable and open governance in state institutions and in society.** Strengthening of legislatures will help them perform their core functions, building on updated internal systems for managing legislative work, stronger skills among legislators and their staff, and systematic outreach, consultation and hearings to tap technical expertise and hear citizen perspectives.

A vibrant, responsible and independent civil society could reinforce these changes and contribute more broadly to development. This will be enabled by the design of appropriate policy, legal and regulatory frameworks, testing and adoption of ideas for better governance within civil society itself, formation and/or strengthening of civil society networks and coalitions that work on development issues, and constructive dialogue and partnering with government, the private sector and other non-state actors.

These changes will benefit, in turn, from greater innovation in governance to adapt to changing conditions and public expectations. This will involve developing leadership and management skills to deal with increasingly complex development issues, more open and transparent governance based on better access to information and "whole-of-government" and "whole-of-society" initiatives, and significantly greater presence and effectiveness of women and youth in leadership and management roles within and outside government.

Increased integrity in public institutions, at national and sub-national levels, will be critical in underpinning improved governance, especially as countries mobilize a growing share of their development expenditure from domestic resources. This will be advanced through assistance for the roll-out of standards, systems and incentives for the reduction of corruption, and strengthened legislative and public awareness and oversight.

(b) **Policies and capacities for more effective governance to bring greater development benefits to citizens and increase their confidence and trust in public institutions.** Strengthening of local governance will be key as it is the level closest to citizens, especially to secure more equitable access to services for the poor and other

excluded groups such as PLWHA. This will be pursued through improvements in the overall framework of functions and financing and development of capacities at local levels to meet assigned responsibilities. Assistance will embrace reform of policy, legislative and fiscal frameworks for de-concentration and decentralization, stronger planning, management and monitoring capacities for service delivery across sectors in both urban and rural areas, testing and replication of options for universal services based on principles of sustainability and non-discrimination, and new models of citizen engagement and voice.

Another critical aspect of well-being will be addressed by reinforcing the rule of law and citizen security based on reform of legal systems to deal with discrimination, for example, women's rights to legal identity, ownership of property, inheritance and equal pay for equal effort, and the rights of PLWHA. A complementary focus will be on locally appropriate solutions to emerging issues such as environmental and electoral justice. Overall progress will depend, however, on parallel reform and development of security sector institutions. UNDP's support will target improved service delivery, measures to ensure respect for citizen rights as enshrined in national and local laws, stronger civilian oversight, and faster progress in reducing gender-based violence. Efforts to improve community self-organization, participation and policing for reduction of crime and anti-social behaviours and attitudes will considerably improve prospects for success on citizen security.

Citizen well-being will depend as well on improving access to resources essential for sustainable livelihoods. An important aspect will be assisting with the reform of legal and regulatory frameworks determining access to and management of natural resources so that land, water and forestry resources, including biodiversity and ecosystem services, can be shared on an equitable, non-discriminatory, transparent and effective basis, consistent with national legislation and with the clear aim of combating poverty and exclusion. A closely related issue, of direct consequence to the poor and more broadly for national development, will be the strengthening of policy, legal and regulatory frameworks for the management of extractive industries. The emphasis will be on environmental and social sustainability measures, options for revenue-sharing, management and transparency, local level conflict prevention and resolution, and partnerships with the private sector, civil society, foundations and other stakeholders to improve adherence to national and international environmental and social standards.

Area of Work 3: Resilience-building so that countries can sustain their development gains in the face of shocks and rebound stronger

20. All areas of work proposed in this Strategic Plan will help build resilience. In this particular area, we will focus on two additional issues that are absolutely crucial going forward: rapid and effective recovery from conflict-induced crises; and a much stronger ability to prepare for and deal with the consequences of natural disasters, especially as they are exacerbated by climate change.

Comprehensive approaches to peacebuilding and state-building in post-conflict and transition settings

(a) **Early economic revitalization to help create improved conditions for stability and sustainability.** This will demand, on the one hand, assistance for better planning and coordination of early recovery and transition, ensuring that local planning processes are inclusive of and accountable to displaced populations, women and excluded groups. Post-conflict recovery plans and programmes will build-in stronger links between conflict and natural disasters and take into account livelihoods recovery analysis. On the other hand, progress on the ground will rely upon measures for early local economic recovery, livelihoods stabilization and creation, reintegration (of internally displaced persons (IDPs) and returning refugees) and

restoration of basic infrastructure at the local level (such as community infrastructure rehabilitation and debris management).

(b) **Peaceful resolution of conflicts to stabilize volatile conditions based on broadly accepted institutions, mechanisms, and "insider mediation" capacities at the national and local levels.** The aim will be to facilitate peaceful resolution of conflicts, including recurring conflicts arising from contested access to resources, political differences, concerns over exclusion, and shortfalls in the follow-through on peace agreements.

(c) **State-building to improve capacities, accountability, responsiveness and legitimacy.** To succeed, actions will have to cover a broad front of work. Of great significance early on in the process will be support to dialogue processes so that national stakeholders can reach agreement on major governance and economic reforms. Assistance for the conduct of peaceful, fair and transparent electoral processes using an electoral cycle approach will be another essential element at this stage. Significant emphasis will be directed as well towards longer-term efforts to deepen the core functions of democratic governance. Key issues will be legislative oversight, transparency of public accounts, improvements in public administration, and reinforcement of local governments to deliver basic services, working with the non-governmental and private sectors. Critical complementary support will address justice and security sector institutions focusing on restoration of rapid access to justice and the rule of law, transitional justice measures, and longer-term recovery of justice and security sector institutions. Concerted efforts to tackle gender-based violence will be a concern throughout.

Disaster risk reduction, preparedness, response and recovery:

(a) **Data, policies and capacities for comprehensive country level (and cross-boundary) action on natural disasters.** A major focus will be on what happens before disasters strike. This will include support for disaster risk assessment including geophysical, weather/climatic and other hazards and their differentiated impacts by social and economic groups; policies and long-term planning and investment frameworks that are disaster risk-sensitive, integrate disaster risk reduction with adaptation to climate change and address differentiated social and economic impacts; and preparedness for disaster management and recovery at the local and national level, including innovation to manage risks through insurance and resilient infrastructure.

The other major focus will be on what happens after disasters strike. This will address post-disaster planning for recovery and preparation of recovery and reconstruction plans and programmes that are inclusive of and accountable to displaced populations, women and other excluded groups. This will be reinforced through assistance for better coordination and implementation of early recovery programmes with a focus on local economic conditions, jobs and livelihoods, addressing the needs of groups in danger of exclusion, especially but not only women and female-headed households.

IV. Transforming institutional effectiveness

22. We stand on a strong footing to deliver on the vision and outcomes in the Strategic Plan. UNDP has in place the most extensive, operationally well-equipped and responsive network of country offices of any international development entity, and draws on an engaged, mobile and diverse workforce of about 8,000 staff along with service contractors and UN Volunteers with a broad range of experiences and expertise. UNDP's US$ 4.5–5 billion annual operation is funded primarily through non-core contributions, leveraged from a small core resource base (now less than 20 per cent of total funding).

23. Many improvements have been made during the previous planning period, particularly over the last two years as we have sought to lift our performance and ensure that we are "fit for purpose". Remaining gaps in performance will now need to be addressed with more discipline, tenacity and openness to further innovation. Implementation of the QCPR recommendations, recent Board decisions relating to new cost recovery policies and reduction of cross-subsidization within the organization, and the directions outlined in this Plan will require ongoing, including structural, change for UNDP to deliver effectively, responsively and with greater cost efficiency.

24. The breakthrough in institutional effectiveness that we seek will be achieved through three interrelated strategies to support the vision and outcomes in the Strategic Plan:

(a) Higher-quality programmes through better project planning, design, monitoring and evaluation, underpinned by stronger results-based management (RBM);

(b) Greater organizational openness, agility and adaptability to harness knowledge, solutions and expertise;

(c) Improved management of financial and human resources in pursuit of results, in a way which is sustainable within projected resource flows.

A. Our approach to institutional change

25. Our proposed strategies will be reflected in an organization that visibly and measurably supports countries to achieve their development goals, with improved effectiveness demonstrated in:

(a) An organizational structure and financing arrangements which are sustainable within projected income and provide incentives to increase both the quality and quantity of programme delivery at the country level.

(b) More strategic United Nations Development Assistance Frameworks (UNDAFs) (in conjunction with the rest of the UNDS) and country strategies that clearly identify UNDP's substantive contribution to country-led development efforts. All country programmes designed under this Strategic Plan will: be more tightly focused on no more than four time-bound outcomes; be underpinned by explicit theories of change; and will incorporate a robust, aligned, rigorously defined, sex-disaggregated and measurable results framework which draws on a standardized bank of SMART indicators to ensure that overall performance against the Strategic Plan can be tracked.

(c) Innovation, replication opportunities and lessons learned will be explicitly considered in programme development and review. Scaling-up strategies will be key, to ensure better coverage, impact and sustainability of development innovations. This will not just mean designing successful projects to operate on a larger scale but also strengthening, in parallel, national and cross-boundary policies and capacities that are vital for ownership and sustainability. Increasingly, UNDP will facilitate South-South and triangular cooperation to respond to country demand for relevant, tested, and cost-effective interventions. Where requested, UNDP will also aim to help countries generate, access and manage their own financing needs for sustainable human development.

(d) Country offices will systematically feed information on emerging areas of country demand for UNDP services into the annual business planning process. This will enable us to identify actions and allocate resources to deliver on identified priorities and pursue a shared set of results in line with the Strategic Plan.

(e) Country offices will become more diverse and efficient, pursuing options – where it makes business sense - for clustering back office functions in service hubs in order to free up additional resources for programming. With their Regional

Bureau, each country office will have a shared view of the critical functions and capacities it needs to implement programmes effectively and a sustainable and cost-effective plan in place for doing so.

(f) All UNDP-supported programmes and projects will be designed through the lens of sustainable human development. They will adhere to uniform programme and project quality standards and processes for which managers will be accountable while investment in monitoring and evaluation will help identify improvements required to achieve sustainable results. The use of data and evidence for results reporting, against established baselines, will continue to show demonstrable improvement. Portfolio management approaches will be utilized to strengthen the issues-based design and delivery of UNDP support and to better underpin value for money.

(g) In designing and implementing programmes and projects, country offices will be able to draw on the services of "development solutions teams" in the bureaux, harnessing UNDP's combined technical expertise to address specific development policy and programme challenges in an integrated way. Knowledge and lessons learned will be readily accessible to country offices to support high-quality project design and inform policy advice.

(h) Country office leaders will be trained and equipped with the tools to manage the diverse pool of talent in their teams, setting the tone for inclusive, engaged and high- performing work units.

B. Our areas of work

Area of Work 1: Higher-quality programmes through results-based management

26. We are undertaking concerted action at all levels of the organization to achieve the breakthroughs in culture and country-level performance needed to achieve results under this Plan. UNDP is increasing its investment in RBM in order both to meet its own internal demand for better performance metrics and to respond fully to the high standards of transparency, flexibility and efficiency now demanded by programme countries and donors alike. Knowledge management will be better institutionalized and incentives created to ensure that learning is an integral part of a performance culture and practice. Fostering innovation and assessing and actively mitigating multifaceted risks affecting programmes and operations will be an explicit part of our strategy.

27. The corporate **Annual Business Plan** and cascading unit-specific workplans will support the operationalization of the Strategic Plan and the alignment of resources across the organization, from country offices to headquarters, to achieve the results envisaged. Better analysis of accumulated information will provide the base to realign strategy and implementation on a rolling basis.

28. A systematic, organization-wide investment for **improved RBM** is under way and will be expanded in the future. It will include: the articulation of clear standards for RBM; minimum quality criteria for projects and strengthened quality assurance processes at all stages of the project cycle; a revision of the programme management cycle to improve quality, robustness and performance, while reducing time frames and administrative load; and establishing a sustainable RBM support mechanism to work with country offices over the next two years. Regional Bureaux will play a critical role in overseeing all programme delivery and performance.

29. UNDP is uniquely positioned to leverage its extensive **knowledge** of the similarities and differences between countries at different stages of development and translate that into evidence-based insights for effective, adaptable development solutions. We will introduce systems, from the project level up, to entrench learning and knowledge management more strongly in the organization. This will be used to inform ongoing evidence-based policy development through the next Strategic Plan period, as well as to adjust implementation,

help capture successful innovation and sustain and scale-up successful approaches.

Area of Work 2: Making UNDP a more open, adaptable and agile institution

30. In the past, increased transparency and accountability were hallmarks of an open institution. Now, the speed and ease with which knowledge and expertise can pass in and out of an institution is important as well. UNDP's organizational configuration will need to become more dynamic and flexible, our talent will need to be more mobile, the skills and expertise required inside the organization will need to change in response to new development challenges, and greater collaboration both inside the organization and with partners and stakeholders will be necessary.

31. This Strategic Plan will require the organization to focus its **advisory capacity** further in support of better policy recommendations and stronger programmes and projects. Most important, we will need to get better at providing more integrated and programme-focused policy advice – spanning the areas of work identified in the Plan – to be more effective in helping countries respond to increasingly complex and inter-connected development challenges. The organization of policy services will, therefore, shift from a relatively rigid practice-based architecture to more flexible multidisciplinary issues-based development solutions teams.

32. We will need to ensure that we have an appropriate mix of **high-quality talent** which is directly aligned with the requirements for implementation of this Strategic Plan, albeit within a smaller staffing envelope. A workforce plan with clear actions to address capacity in the critical technical areas required by this Strategic Plan is being developed and will exploit the full talent acquisition instruments at our disposal. This will lay the foundation for an ongoing business intelligence function that regularly updates workforce analytics, identifies organization-wide capacity needs and gaps, and plans for the workforce UNDP requires.

33. UNDP's universal presence and related **country office business model** is a key comparative strength but needs to be recalibrated to allow the organization to respond better and more flexibly to changing country needs. Analysis of the critical functions and purpose in different contexts will drive a systematic and coherent view of the different UNDP presences required in 2014 and beyond.

34. **Continual review and adjustment of strategy** will be embedded in regular business plan monitoring, which provides the information needed to adjust approaches and resources, in order to stay on track to achieve results. The requirement for more rapid repositioning in the event of sudden onset crisis will be guided by a new **programme criticality framework** that will help decide which programmatic initiatives should have priority during and immediately after a crisis.

Area of Work 3: Improved management of financial and human resources in pursuit of results

35. This Strategic Plan will, for the first time, show a clear link between development results and the financial and human resource inputs required to deliver them. With declining core resources, implementation of the Strategic Plan will require substantial reliance on non-core resources. Improved management of the organization's overall resource (including people) envelope will be essential to ensure that we reach the level of performance required for the effective implementation of the Plan.

36. Reductions in the institutional budget are already being implemented to reflect declining core contributions in 2013. Over the next four years, UNDP will become a **leaner and more cost-effective** organization. Measures will be taken to obtain greater efficiencies in the delivery of policy and management services so that the institutional structure appropriately matches projected funding streams and ensures the critical mass of support services required to deliver quality programmes and secure financial and legal accountability.

37. UNDP will continue to cooperate with donors through flexible and quality non-core funding channels and instruments. We will aim to **optimize the management of non-core funding streams** through rationalization of both the number of instruments and the management of them. Recognizing the increasing complexity of development financing, we will assist developing countries, when so requested, to generate, access and manage the finance they need to progress towards sustainable human development.

38. UNDP is implementing the Executive Board decision to harmonize cost classifications and implement new cost recovery rates. This will improve the **transparency and consistency of development project costing**, thereby addressing the long-standing concern that regular resources unduly subsidize non-core activities.

39. UNDP will lift its **people management capabilities** with speedier recruitment and initiation programmes that support staff to become effective more quickly, ensure diversity, manage talent and deliver better succession planning for key posts. **Staff security** remains a concern in many countries in which we operate. UNDP, in conjunction with the United Nations Secretariat Department of Safety and Security, will continue to prioritize measures to decrease staff vulnerability and promote business continuity.

40. UNDP will make better use of **information and communications technology solutions** to enhance business analytics, increase productivity, reduce transaction costs, facilitate sustainability as well as provide direct programme/project support.

41. UNDP is also stepping up action overall to increase the **environmental sustainability** of offices through green office measures, communication and business practices.

V. Revitalizing partnerships and strengthening coordination

42. A stronger UNDP cannot on its own achieve the outcomes proposed in this Strategic Plan. Partnership and coordination of effort will be critical. To this end, we will address two areas which complement our plans for institutional transformation:

(a) A United Nations development system that is strongly positioned in a changing world, reflecting United Nations values and norms, and responding to country demand with results that are strategic, delivered by operations that match or exceed peer performance;

(b) Increased scale and effectiveness of UNDP's engagement with South-South and triangular cooperation.

43. Deeper cooperation with emerging partners will benefit all of these proposed changes, by contributing to collaboration on shared development priorities across countries of the Global South. We will continue to work with civil society and the private sector for development results. We have incorporated specific and substantive opportunities for partnership in this regard directly into our areas of work.[3]

A. Coordination of the United Nations development system

44. With the incentives now provided by development trends and the QCPR,[4] as well as by the upcoming post-2015 agenda and sustainable development goals, the time is ripe for greater progress on coordination. Several options can be pursued over the medium term to achieve that. If implemented successfully, these options could bring greater clarity about "who does what" in a way that produces good results, faster.

(a) First, contribute to deepening **strategic reflection, thinking and, increasingly,**

[3] Work is also under way on strengthening cooperation with other multilaterals such as the World Bank.
[4] Notably but not only paras. 117-120, 124-127, 130, 136-142, 148-150, 152 and 170-171.

responses by the UNDS at the global level. In order to move in this direction, we would encourage the system to reflect regularly on critical global and regional development issues, clarify roles and responsibilities where that counts the most (for instance, in relation to the post-2015 agenda and sustainable development goals), forge closer links between agency-level strategic planning processes, and develop strategic partnerships with non-United Nations entities. "Quick wins" within 9 to18 months could be targeted at the following:

(i) Faster and better follow-through on agreed United Nations system-wide actions, by finding strategic entry points that could generate useful results relatively quickly;

(ii) Practical actions to improve knowledge-sharing and advance work on capacity development, building on existing agreements within the UNDG;

(iii) Consistency in results formulation and monitoring, to see if it is possible to define common results and indicators for the next strategic planning cycle;

(iv) Application of common programme standards, starting with the UNDG's normative and operational principles;

(v) Implementation of Standard Operating Procedures for Delivering as One, especially through action on annex 1 of these Procedures which details the steps that agency headquarters need to act on as a matter of priority;

(vi) Utilization of common benchmarks for programme and operational delivery, so that reforms at Headquarters and in the field have clear measures of progress.

(b) Second, **focus country level coordination more around delivery and getting development results and less on internal management or process issues.** United Nations country teams need to stay abreast of 'big picture' changes in a country's development context, partner better and be able to position the UNDS to support the country's priorities for transformational change. Adopting the Standard Operating Procedures mentioned above will help. UNDP can assist through its technical work and expertise on cross-sectoral issues, drawing in non-resident agencies with the relevant knowledge and skills; helping to plan more strategically by utilizing its Country Directors more actively in UNDAF and common country programme document processes; and offering stronger links to national and donor aid coordination arrangements. Better designed and executed Resident Coordinator/Resident Representative (RC/RR) selection, training and development programmes will underpin these measures.

(c) Third, **reinforce ground rules clarifying UNDP's role.** These ground rules will focus on distinctions and complementarities between the normative and operational functions of agencies and entities; ensure that, where there are shared interests with UNDP, we will create capacity only if agencies lack them; and advocate – and use UNDP funding - to "broker" and bring specialized skills to the country level. Details about how this would translate into clearer roles and responsibilities are provided in the theories of change that are part of the results and resources framework (annex III).

(d) Fourth, **encourage greater outward orientation** in the work of the UNDS at the country level. This means addressing growing opportunities for innovative work with civil society organizations, the private sector, foundations, research institutions and other non-state actors.

(e) Fifth, continue to strengthen the role of UNDG Regional Teams to **enable a much stronger collective response to strategic cross-boundary issues**.

B. Working with the United Nations Capital Development Fund (UNCDF) and the United Nations Volunteers (UNV)

45. UNDP will rely upon UNCDF's financial mandate in specific areas of shared focus

in least developed countries. The main opportunities for stronger links fall into six main clusters: analysis using UNCDF's diagnostic tools; local development initiatives; inclusive financial services; energy access for the poor; local-level responses to climate change; and delivery mechanisms for social protection schemes.

46. With regard to UNV, there is a strong "fit" with the upstream, policy work of UNDP. UNDP considers UNV to be a key resource for community-level presence, organization and action; reinforcement of social cohesion through volunteers and voluntary work; development of volunteerism in local level service delivery; specific aspects of South-South and triangular cooperation based on exchanges of skilled people to close critical gaps (e.g., in local governance institutions in post-disaster and post-conflict settings); outreach through deeper use of online volunteerism; and creation of opportunities for youth in volunteering.

47. UNCDF and UNV will both produce strategic frameworks, under this Plan, to elaborate their results during 2014-2017.

C. Coordination with the United Nations Secretariat

48. UNDP coordination with United Nations Secretariat departments and policies remains important for development results. Similarly, the almost universal reach of UNDP, its operational focus and its relationships of trust with national partners, also support the Secretariat's departments in the achievement of their mandates. As experience has shown, the complementarities existing in our collective work can be a strong multiplier of United Nations action but also call for greater clarity on roles and responsibilities. This requires continuing attention, at the country and Headquarters levels. An important step forward has been taken by the Secretary-General's decision to appoint UNDP and the United Nations Secretariat **Department of Peacekeeping Operations** as the Global Focal Point for Police, Justice and Corrections in order to improve the impact and coherence of United Nations rule of law assistance.

49. Coordinated approaches with the United Nations Secretariat **Department of Political Affairs** are crucial as well in areas such as electoral support and the prevention of armed conflict. In the latter case, this partnership will expand and include other agencies, funds and programmes to provide support for, and strengthen, the forums, skills, and institutions available to national and local counterparts for the peaceful settlement of common challenges.

50. Another critical aspect is our role as the main implementer of projects financed by the **Peacebuilding Fund**, working closely with the **Peacebuilding Support Office.** Our efforts to clarify and strengthen our contribution to peacebuilding, which has started already and has taken shape in this Plan, should help consolidate our relationship with the Fund and the Support Office. We are also engaged in a dialogue on coordination of allocations from relevant global financing mechanisms that includes the World Bank and the African Development Bank.

51. The relationship with the United Nations Secretariat **Office for the Coordination of Humanitarian Affairs** is critical in all countries facing humanitarian needs. A well-functioning relationship can contribute to ensuring that humanitarian, early recovery and development actions reinforce each other and go beyond relief to building long-term resilience. This will also increasingly call for improved support to slow onset emergencies (particularly but not exclusively recurring emergencies). To help achieve this, and as set out in the QCPR, continuous improvement is required on RC/HC assessments, training and support so that the best equipped leaders can be selected for these assignments and enabled to do their job.

52. We will continue to work closely as well with the United Nations Secretariat **Department of Economic and Social Affairs** on the global development agenda, building

on the work being done on the post-2015 agenda. At the regional level, UNDP will coordinate closely with regional economic commissions and other regional bodies in developing approaches that respond to regional specificities and priorities.

D. South-South and triangular cooperation

53. UNDP proposes to make both South-South and triangular cooperation core ways of working in its programmes and operations at global, regional and country levels, based on their guiding principles and without substituting for other partnership options.

54. Our **focus** will be to sustain and expand South-South and triangular cooperation that maximizes mutual benefits. To this end, UNDP will aim to lower economic and non-economic (e.g., informational) barriers to more transparent, efficient and effective exchange that engages both countries and non-state entities. This would target three major barriers: first, knowledge regarding what has worked and what hasn't, together with information on who is involved and what they can offer; second, support for better harmonization of policies, legal frameworks and regulations; and, third, strategic funding and technical cooperation from a variety of sources, to manage the "start-up" costs of collaboration and then finance the scaling-up of promising ideas.

55. Our **role** will be that of a knowledge broker, builder of capacities and facilitator of exchanges driven primarily by developing countries themselves, working with other interested stakeholders including Governments of member countries of the Organization for Economic Cooperation and Development and non-state entities.

56. Consistent with the proposed focus and role, we will tackle **two major functions.** First, through the United Nations Office for South-South Cooperation (UNOSSC), strengthen our support for system-wide coordination and action, under the guidance of the High Level Committee. This would be underpinned by a UNOSSC better able to collect, analyse and provide access to data on the "who, what and where" of South-South and triangular cooperation. This would also help with another area of greater effort by UNOSSC in the future: outreach, dialogue and consensus-building across a wide range of stakeholders. In addition, UNOSSC would continue to support some of its existing platforms designed for this purpose. Second, utilize UNDP's country and programmatic reach to provide a global operational arm for South-South and triangular cooperation that will also be accessible to other members of the UNDS.

57. To translate this approach into action, we will make comprehensive changes in our **operational approach**. We will support expanded policy research, a dedicated project modality that can accommodate financial and in-kind contributions and deepening of our engagement with emerging partners. We will also promote cross-country work with sister agencies and regional economic commissions, actively use regional programmes for '"neighbourhood" initiatives, encourage staff exchanges and improve monitoring and reporting.